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Williams, George Fred

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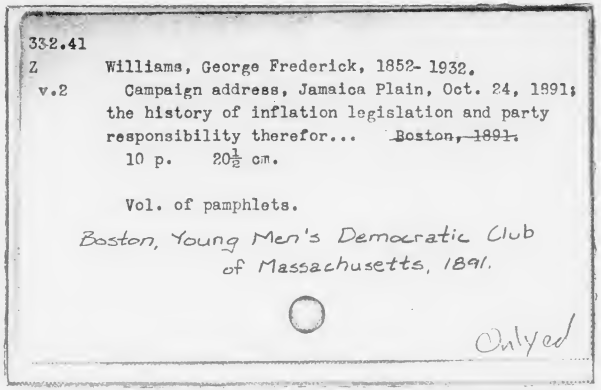
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CAMPAIGN ADDRESS

OF

GEO. FRED WILLIAMS

JAMAICA PLAIN, OCT. 24, 1891.

The History of Inflation Legislation and Party Responsibility therefor.

THE FUTURE OF PARTY ACTION UPON SILVER COINAGE.

Issued by the Young Men's Democratic Club of Massachusetts, 127 A Tremont St., Boston, Sept., 1891.

MR. WILLIAMS' ADDRESS.

Mr. Chairman and Gentlemen,— No politician can measure the distance a misstatement will travel, or gauge even approximately its penetrating power.

I am not at all sure how much alarm may have been aroused among prudent citizens by the many generalizations of Republican speakers as to the attitude of the Democracy on financial questions. That the soundness of the currency is a vital part of our Massachusetts policy cannot be doubted. The coinage issue, as framed by the Republicans in the campaign, sought to fix upon the Massachusetts Democracy the charge of looseness in financial policy, only to find us upon much more radical ground than the Republicans themselves.

We charged them with bad legislation upon the currency; and, after a lame defence of their own course, they admitted that we proposed to press our sound views upon Congress, but laughed at our ability to affect the policy of the national Democracy. I shall deal with that question later in the campaign, but beg you to listen to me to-night upon a general Republican charge against the Democracy, which is akin to the claim that we are the party of the slums, the rum-shop, the pawn-shop, of ignorance and disloyalty.

I quote two statements of the two men who aspired in vain to the governorship of Massachusetts, Mr. Crapo and Mr. Allen. The former has thus declared: "The Republican party is now, as it always has been, the sturdy and unflinching champion of honest money and sound currency." I take the liberty of asserting that this statement is not true in any detail or particular.

Mr. Allen used these words: "The people fear that the national Democratic party, which has always been the advocate of every financial heresy, shall get control of the monetary system of this country." Mr. Allen's statement I deny, though I doubt not that he and Mr. Crapo spoke in good faith. I believe these gentlemen to be truthful, and a study of their addresses encourages me to believe that their errors may arise from ignorance.

We take pride, we Democrats, in a campaign of education; and I do not hesitate to present to you my reasons for challenging these misstatements. Let us apply the tests of history. There are three critical periods in our financial history, 1862, 1878, and 1890; but the mighty blow at our money system was struck Feb. 25, 1862.

Up to that time the government had limited itself to its constitutional power to "coin money and regulate the value thereof." Gold and silver were the current money of the world; and from 1834, when the ratio of 16 to 1 was fixed between the metals, our money passed current in all the markets of the world.

But the fatal day came when a poison was injected into the currents of trade. Congress authorized the treasury to issue paper promises of the United States, and compelled the people to accept these promises in payment of debts. This act was called the Legal Tender Act, because it declared that the promises of the government should be "legal tender in payment of all debts, public and private, within the United States."

Legal tender is a gentle-sounding phrase, but it is from the smooth tongue of the tyrant and usurper. Faithless and bankrupt kings had for centuries repudiated their debts and cheated their subjects by debasing the coin, but now for the first time the great republic stamped our money with a lie. It promised to pay a dollar, and forced $400,000,000 of these promises upon the people.

The result was inevitable: the promise to pay a dollar was not worth a dollar, and the people would not take it for a dollar.

It fell down, down, until $3 of promise would hardly buy $1 of coin.

Wages were paid in this debased money; and Congressman Walker of Worcester has estimated that the actual loss to the wage-earner by this depreciation in money was more than the whole public debt at its highest point. He placed the loss at $2,750,000,000.

I shall not attempt to trace the innumerable evils which this unhappy law brought upon the country, but our money loss was the smallest of them. The legal tender act was the mother of inflation; it was the first swarm of locusts brought upon our financial system; it made the later silver agitation possible.

The party which made this law must call itself the parent of inflation. For this vicious bill, in the House of Representatives 87 Republicans voted with seven Democrats; against it 21 Republicans joined with 38 Democrats.

It was then a Republican measure, nor was any heed paid to the protests and warnings of such a Republican as Justin S. Morrill of Vermont. The Democracy opposed the legal tender act 7 to 1.

Which was here the "sturdy and unflinching champion of honest money," Mr. Crapo? and which party was the advocate of financial heresy, Mr. Allen?

The policy of the Democracy at that time was to raise money by revenues in accord with Jefferson's doctrine, that government should "never borrow a dollar without levying a tax in the same instant for paying the interest annually, and the principal within a given time." The bill of 1862 to raise the annual revenue to $150,000,000 passed both Houses with hardly a dissenting voice.

A striking test of the attitude of the parties in maintaining the credit of the country while it was borrowing to carry on the war is the vote on the Senate amendment making interest on the government bonds payable in coin. The Democrats voted 42 to 2 against paying our creditors in greenbacks, while the Republican Congressmen voted 33 to 46 in favor.

This inflation legislation was followed by the usual desperate measures to force dishonest money upon a people which would only take it at market value.

In 1864 a stringent law was passed to prevent financial transactions from being made upon a gold basis, with such disastrous results to the money market that Congress repealed the law in a fortnight.

It was in this period of fiat money that the people were corrupted with false notions of the functions of government, and it will be remembered that the Bland bill of 1878, which began the coinage of the standard silver dollar, was passed just after the Greenback Convention at Toledo and when the excitement for inflation was at its height. It mattered not whether it was silver or paper,—a bad dollar was demanded.

The Bland bill initiated the regular coinage of $2,000,000 in depreciated dollars every month, which continued for twelve years, and injected into our monetary system 370,000,000 pieces of silver called dollars, and now worth 75 cents.

This act of Feb. 28, 1878, was carried with a Republican vote of 77 yeas and 51 nays over the veto of its own President.

I do not claim that the Democracy did not join in voting for this bill and help to pass it; but the Republican party cannot avoid the political responsibility for it, because it deliberately acted against the veto of its President and repudiated the sound policy of its own administration.

This bill contained the two evil features of the old Republican inflation policy. It used the legal tender quality to force the silver dollar into circulation, and made a coin which was then worth but ninety cents in bullion.

The Democracy for the first time was led into the craze for cheap money. I will not justify it; but, when the veto of President Hayes demanded "a silver dollar of full value, which will defraud no man," the Republican majority committed the party to full responsibility for deliberate degradation of the currency.

The present Republican administration, which now claims to be the country's defence against evil silver legislation, chose for its first Secretary of the Treasury Mr. Windom, and for its second Mr. Foster, both of whom attested their financial standards by voting for the Bland bill in 1878.

While this system of inflation was sustained by the Republican party and the paper dollar was still dishonored, the Democracy appealed to the people for its votes in unswerving loyalty to sound and honest financial doctrines.

In 1872 the national Democracy spoke thus: "The public credit must be sacredly maintained, and we denounce repudiation in every form and guise.

"A speedy return to specie payments is demanded alike by the highest considerations of commercial morality and honest government."

In 1876 Samuel J. Tilden protested, with no uncertain voice, against the Republican policy on the currency.

His platform said: "We denounce the failure, for all these eleven years of peace, to make good the promise of the legal tender notes, which are a changing

standard of value in the hands of the people, and the non-payment of which is a disregard of the plighted faith of the nation."

In 1880 the Democracy called for "honest money, consisting of gold and silver, and paper convertible into coin on demand; the strict maintenance of the public faith, state and national, and a tariff for revenue only."

1884: — which called the Democracy to redeem its promises, presented this article of faith.

"We believe in honest money, the gold and silver coinage of the Constitution, and a circulating medium convertible into such money without loss."

Thus far we have dealt with a record of twenty-two years, in which the Republican party controlled the administration of affairs, always the Senate and most of the time both branches of Congress. It is the sad record of faithlessness to sound finance which the Democracy, when it spoke as a party, unceasingly condemned.

Does Mr. Crapo see in his party up to this point "the sturdy and unflinching champion of honest money and a sound currency"?

Let me state here that it is not entirely fair to judge the real policy of a minority party by its votes upon given questions. The party in power is always held responsible for its work, and much latitude is allowed by popular judgment in favor of the minority, which is "skirmishing for position" and "worrying the enemy." I will not for a moment justify the practice of voting wrong, in order to put the other side in a position of embarrassment. The practice is evil, but has been very common, and must be considered in estimating party responsibility upon the basis of sporadic votes.

We come now to a new political stage, in which the Democracy is the actor. Let every business man examine the financial record from 1885 to 1889. It is the grandest period in our history since the plague of monetary debasement was caught in 1862.

What business man fails to recall the confidence which inspired him when Manning was at the helm? And, when Fairchild followed him, it was with the same demands that the outpouring of debased silver dollars on the people be stopped. You can read the reports of four years of Democratic administration only to find the sound promises of Democratic platforms faithfully redeemed. No considerations of politics or expediency abated the caustic demands of the administration for a repeal of the silver inflation bill of 1878.

Nor was the attitude of the administration one of feeble protest. A vote was taken in 1886 upon the free coinage of silver, and the measure was defeated by a vote of 163 to 126. Only one Democratic vote in the New England and Middle States, from Maine to Maryland, could be mustered for a measure which was condemned by the great pilot of our finances, the Democratic giant, Grover Cleveland.

And from the day of that defeat the cause of free silver coinage went down to harmless impotence during that congress.

In the 50th Congress the free coinage advocates were voiceless: under the

faithful hand of Carlisle no bill for silver inflation could get out of committee. The country was placid in the face of the silver agitation, because it knew that any bill for extending the dishonest coinage would, under the trip-hammer of a Democratic President, be pounded thinner than a geometrical surface. When Democracy had finished its four years of service, inflation was gasping in the throes of death.

In 1888 the national convention assembled. The Democracy pronounced a verdict upon the policy of its administration. It upheld its President in his opposition to silver inflation by repeating its plank of 1884, upon the faith of which the country had elected a Democratic President. No free coinage influences sufficed to break the sturdy front of the Democracy in its support of the radical policy of the Cleveland administration.

The party which is responsible for the revival of the languishing cause of the silver inflationist is the Republican party, which in its platform of 1888 extended its pledges to help the mining States of the West. With the declaration of the Republican platform condemning a Democratic President for "his efforts to demonetize silver," the silver agitation again sprang into life.

Throughout the West an appeal was made for Republican votes upon the very ground that that party had pledged itself to overturn the policy of a Democratic administration and extend its policy of protection to the silver miners of that section.

The one champion of honest money was defeated, and the Republican party was confronted in the 51st Congress with its pledges to silver legislation. You will recall that it was the senator from Vermont, Mr. Edmunds, who on the floor of the Senate gave unstinted praise to President Cleveland, and said that he had stood like a wall against the attacks of the silver inflationists within his party and outside of it.

The Republican party was true to its pledge. Its President appointed at the head of the treasury a man who had voted for the silver coinage act of 1878 which initiated the vicious policy of making the government a standing customer for the silver product. Even after it had redeemed its pledge in the act of July 14, 1890, the same President appointed as the successor of his first Secretary of the Treasury another man, who, by voting for the same measure, had attested his loyalty to the silver inflationists. The act of 1890 was passed without a Democratic vote, only to be denounced by every friend of the gold standard.

The Boston *Journal* of July 8, 1890, denounced the act in these words: "Short of free coinage, this is as radical a measure as could have well been framed."

Senator Blair, in voting for this bill, suggested "that nothing so adds to the happiness of the surroundings as for a sick man to take his medicine cheerfully," and he gave notice to the Senate that under no circumstances whatever, there or elsewhere, would he ever give a single reason for voting for that bill. Senator Hoar in this campaign, at Cambridge, admitted that he thought, with many Republicans, that "there was danger in this law," and suggested that we had

approached the danger line in silver legislation. The law had indeed been condemned before its passage in the report of the Republican Secretary of the Treasury in 1889, in these words: "At present it would not appear to be either just or desirable to issue a note on a deposit of 100 cents worth of silver, and redeem it with a dollar containing only 72 cents worth of silver." Congressman Walker of Worcester, who made his protest against silver coinage in his shirt-sleeves, announced that he should vote for the bill of 1890 for these reasons: "We Republicans want to come back, and we don't want you to come back in the majority. That is human nature: that is all there is in this silver bill,—pure politics." Allow me to suggest to the Congressman from Worcester that this is one of the best specimens of impure politics, when the supposed friends of sound finance endanger our financial system for purely political ends.

But Senator Hoar offers his excuse, which is that he voted for the law of 1890 to avert the great danger of a free coinage bill.

I have a word to say to Senator Hoar and his proposition. The man who at that time occupied the presidential chair was a Republican, and there was no day during the life of the 51st Congress when a two-thirds vote was possible to overcome a veto of a free coinage act.

When Senator Hoar admits the political necessity of the law of 1890, he thereby admits that his Republican President could not be relied upon to veto such a bill. I wish now to suggest to Senator Hoar that he and his associates in the House have upon them the whole burden of the law of 1890. Let me justify my statement.

That law passed the House of Representatives by a vote of 135 to 119. A change of eight votes would have defeated it. The Republican delegation from Massachusetts consisted of ten men, who, had they been loyal to the wishes of their constituents, would have rescued the country from the threatening danger of the bill of 1890.

But Senator Hoar has a heavier responsibility. He, with one of his associates in the House, forced upon the country an infamous bill, which was intended to secure to the Republican party permanent control over the people's elections. That bill was regarded by all the representatives of the South as a direct effort to place upon the statute books a law which should made it possible that the frauds of 1876 should be repeated in every congressional and presidential election.

There is no doubt, and I have no hesitation in stating it publicly, that the Southern members were willing to run any risks in financial legislation rather than to have forced upon them a law which struck a blow at their liberty.

There is no question but that the free coinage of silver obtained in the Senate a strong Democratic support which was based alone upon a bargain to defeat the force bill. It is generally understood that the threat was even held over the House that it, too, must submit to the demands of the silver miners of the West, or undergo the infliction of the Davenport force bill.

I mean to say that the Democratic vote in the Senate and House of 1890 was

no test of the sentiment of the Democracy upon that question. However unjustifiable such a bargain may have been, the fact remains.

In this election the Republican party has raised the cry of free coinage only to be assured that the Democratic delegation from Massachusetts occupied even a stronger position than the Republicans themselves upon this financial question. The Democracy of Massachusetts has spoken in no uncertain tones in its convention and upon the stump. It not only opposes the free coinage of silver, but has called in vain upon the Republican party to defend its act of silver inflation. This is the answer to the statement that our New England delegation will enter the halls of Congress to be humiliated upon this issue.

I venture to say to Senator Hoar that the task of the New England Democracy in overcoming the free coinage sentiment of the Democracy will be much easier than his own task in the Senate with the silver monopolists, who are at the head and front of this movement. If it be true, as I believe it to be true, that the defeat of the force bill legislation stands in the minds of the Democracy far above any financial question, I beg to suggest to the people of Massachusetts that Democratic supremacy in Massachusetts is the one great bulwark against the dangers of silver legislation.

You have sent a Democratic delegation from Massachusetts to assure the people of the South that our old State does not approve the plan of the force bill. The whole South is looking to-day at the State of Massachusetts to know whether Senator Hoar is permanently discredited in his efforts to force upon the country the evils of the force bill.

With the election of William E. Russell your seven Democratic Congressmen will meet the Democracy of the South with the pledge that the force bill is a thing of the past, but let me suggest that this pledge is upon one condition, which is that the Democracy of New England are not immolated upon the altar of free silver.

The South can have its force bill if it chooses, by silver legislation, to kill with one blow the Democratic army of the North-east, which holds the fort against the junior senator from Massachusetts and the member from Nahant. As the South chose to support free silver to defeat the force bill, so will it respond to our demand that it now join with the Democracy of the North-east to bury the force bill and silver inflation together.

And to the people of Massachusetts who think there is in Democratic success this fall a threat of free silver coinage let me suggest that there is even a deeper significance in the results of our Massachusetts election in the political future.

It will be borne in mind that upon the test vote upon free silver coinage in 1886 only one Democratic vote was obtained in its favor from the New Brunswick line down to the borders of Virginia.

To those who talk lightly of a free silver policy on the part of the Democracy I venture this statement: that the adoption of such a policy would rend the Democratic party asunder and forfeit the entire vote of the North-east. New York,

New Jersey, Connecticut, Massachusetts, must be permanently abandoned, and the Democracy must look elsewhere for its majority.

Where, I pray, shall it look? Let me submit a list of States which may possibly be carried upon a free silver platform, which would be lost to the Democracy upon the tariff issue. These States with their votes are as follows: Colorado, 4; Idaho, 3; Kansas, 10; Nebraska, 8; Nevada, 3; North Dakota, 3; South Dakota, 4; Wyoming, 3.

Let me submit, on the other hand, a list of States which can be carried for the Democracy on the tariff issue, and which will be against it on a policy of free silver coinage: Connecticut, 6 votes; Indiana, 15; Iowa, 13; Massachusetts, 15; Michigan, 14; Minnesota, 9; New Hampshire, 4; New Jersey, 10; New York, 36; Rhode Island, 4; Wisconsin, 12. There have been symptoms since 1884 that the Democracy has been growing in wisdom.

It has carried the country with an overwhelming majority on the issue of tariff reform.

Think you that the party since the election of last year has fallen into a condition of drivelling idiocy, that by adopting a coinage policy it will sacrifice 138 votes to gain 38, and reduce the majority of 136 upon the tariff issue to a minority of 44 on the silver issue in the presidential election of 1892?

But in Massachusetts a stronger appeal can be made than an appeal to figures.

We are a unit in our support of the great champion of tariff reform who taught us that principle was better political policy than expediency, who upon the tariff platform sacrificed himself in 1888, only to find in the victory of 1890 the justification of his principles.

You need not be told that there is no possibility of nominating upon a free silver platform a man who has been a determined opponent of silver inflation from the beginning to the present day, our former President, Grover Cleveland.

Thus the Democrats upon this issue must face not only the rupture of the party upon sectional lines, but must abandon the idea of putting the great leader of tariff reform again to the front; and these momentous questions hang upon the verdict of Massachusetts.

I can conceive that a Democratic defeat in Massachusetts and New York this year would convince the Democracy that there is no victory for it with an anti-silver platform, while our victory will be notice to the Democracy of the country that by that token alone we can succeed.

Send us, who now represent you in the House of Congress, with a message that the policy of Cleveland's administration is to be maintained, that Democratic success in '92 means a renewal of the conflict against silver inflation, which never appeared from March 4, 1885, to March 4, 1889.

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